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New in the Community, Managed LTSS Plans Meet Community Providers
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22 States Had MLTSS Programs as of October 2015

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Some growth in number of states and enrollment is due to Financial Alignment Initiative (first state implemented in October 2013)

Children with disabilities are the least likely to be included in MLTSS programs

Most MLTSS programs exclude LTSS services for persons with Intellectual Disabilities, though many states intend to expand their MLTSS programs to include this population

Enrollment Growth and Target Groups Served

Truven Health Studies on Impacts of MLTSS on LTSS Providers

ASPE Office of Disability, Aging, & Long-Term Care Policy

• Qualitative study on lessons from early implementer states
• Focus on LTSS providers’ transitions to MLTSS in 3 states (DE, MN and TN)

CMS Disabled and Elderly Health Programs Group

• Qualitative study on business challenges experienced by LTSS providers in transition to MLTSS

AARP Public Policy Institute

• Care Coordination models used in MLTSS programs
Findings on Provider Impacts – ASPE MLTSS Case Study of Delaware, Minnesota, and Tennessee

1. Viability
2. Volume of Business & Diversification
3. LTSS Provider Challenges & MCO Responses
4. Market Changes

Finding #1: Viability

- Continued short-term viability, but increased administrative costs and cash management pressures may threaten smaller providers over time
- Emphasis on including traditional providers in networks at start-up, with protections fading once programs stabilize
- Traditional case management providers become obsolete in states where MCOs perform the entire function internally
Finding #2: Volume of Business & Diversification

- Overall volume of HCBS increased, with winners and losers among traditional providers.
- Overall volume of Participant-Directed Services increased because MCOs were required to offer consumers a choice of traditional service models or Participant Direction.
- Overall volume of Medicaid NF days decreased, but impact of MLTSS programs is difficult to gauge.

- Diversification is primarily evident in MN, where the health care market is very dynamic.
  - One residential provider diversified into transitional care units and in-home primary care.
  - “LTSS providers are trying to get higher up in the food chain” (want to be integral to ACOs and share incentives with them).

Finding #3: LTSS Provider Challenges & MCO Responses

Challenges:
- Transaction costs increase because providers must interface with more entities.
- Harder for small providers to absorb increased administrative costs.
- Billing issues are pervasive, disadvantaging small providers with little or no cash reserves.
- Service authorizations generally take longer.

Responses:
- Hands-on training sessions for billing.
- MCO outreach to smaller providers.
- Monitor incoming claims to make sure providers are submitting claims.
- Cut checks for smaller providers to carry them over while billing problems are resolved.
Finding #4: Market Changes

- Overall, continuity of care provisions were protecting existing providers
- HCBS demand and supply have increased
- MLTSS having a large impact on the market for Service Coordination
- Participant direction increased in TN and DE
- Scale provides some competitive advantages; some merger activity reported

Service Coordination in MLTSS

- MLTSS is having a large impact on the Service Coordination market
- The Aging Network (AAAs) were the lead provider of Service Coordination services in FFS HCBS programs
- Most MCOs prefer to keep the Service Coordination function in house
- Integrated Care Models (FAI) create demand for Service Coordination entities that can manage both Medicaid and Medicare benefits
- New partnerships being formed between MCOs and the Aging Network in MLTSS programs
- Some states allowing the market to determine how Service Coordination is provided
Concluding Thoughts

- Impacts of MLTSS on providers have been minimized by Continuity of Care and Any Willing Provider policies during initial implementation
- Over the longer term, one can expect that MLTSS entities will differentiate themselves through their provider networks
- States play a critical role in easing the transition from FFS to MLTSS for LTSS providers
- MLTSS programs will continue to expand

Recommendations to LTSS Providers

- Be proactive, not reactive. Do not wait for MCOs to come to you. Meet with MCOs and convince them that your agency provides a quality service that will support their business strategy
- Get as much training as possible before MLTSS programs “go live”
- Become more strategic and business-oriented. One policy goal of MLTSS is to create a more competitive market for LTSS
- Restructure internal business practices to ensure that your organization can meet MCO requirements for credentialing, quality management, and data reporting
- Think strategically. Partnerships with other LTSS providers may increase your leverage in the marketplace